

AGENDA

Pursuant to A.R.S. § 38-431.03(A)(3), the Commission may vote to go into Executive Session for the purpose of obtaining legal advice from its attorney on any matter listed on the agenda. Any such Executive Session will not be open to the public.

A. Call to Order of the 668th Regular Arizona Racing Commission Meeting of March 14, 2019, at 10:03 AM

Commissioners Present:

Chair Rory Goreé
Vice Chair Thomas Lawless
Commissioner Jay McClintock
Commissioner Charles "Chuck" Coolidge

Also present:

Rudy Casillas, Racing Division Director
Deanie Reh, Assistant Attorney General
Greg Stiles, Racing Program Manager
Kristian Fasching, Gaming General Counsel
Cassie Goodwin, Commission Secretary
Sheri Koss, ECU Supervisor/Hearing Supervisor

At the start of the meeting, Chair Goreé announced Item B.1 was not going to be necessary, as there are no updates. The Commission will start with Items C.2 and C.3. then jump to the Information Reports then move back to Items C.1 and C.4.

B. Executive Session

The following item is for Executive Session purposes only:

1. *Simms v. Simms, et al.*, Case No. 1 CA-CV 18-0546, and *Simms v. Arizona Racing Commission, et al.*, Case No. LC2016-000505, regarding a Racing License for Ronald A. Simms, Case No. 14A-020-RAC. The Commission may vote to go into Executive Session under A.R.S. § 38-431.03(A)(3) or (4) in order to discuss with and instruct its attorneys on this matter.

No action taken on this item.

C. Action Items

1. TP Racing, L.L.P. Consideration of Final Three-Year Commercial Permit Renewal (FY 2019, 2020 & 2021)

The Commission at 11:45 AM heard this matter.

Chair Goreé advised the Commission that he has received a request to table this matter until a couple of items are addressed. As soon as the item is resolved, he will request that a special meeting be called to address this item. Commissioner Coolidge second. Motion carried. (Ayes: Coolidge, Goreé, Lawless, McClintock.)

Commission Secretary advised the Commission this matter requires a 15-Day Notice of Hearing to be posted. The earliest date for a meeting is April 4, 2019. Chair Goreé said he would let the Department know later this evening if that is sufficient time to address the issue.

The Commission moved to Item D – Information Reports at 11:47 AM.

2. Xpressbet, LLC's Consideration for ADW Permit

Greg Stiles addressed the Commission.

Dave Auther, Arizona Downs, addressed the Commission. Arizona Downs does not object to the permit, but wants to point out the issues with Xpressbet as it relates to Monarch and Item C.4.

Commissioner McClintock moved to approve the Xpressbet, LLC's ADW Permit application. Vice Chair Lawless second. Motion carried. (Ayes: Goreé, Lawless, McClintock; Nays: Coolidge.)

3. AZ Downs Requests Approval of the Following Off-Track Betting Facility:
a. Arizona American Italian Club, 7509 N 12th St, Phoenix, Arizona 85020

Greg Stiles addressed the Commission.

Kristen Brice, Member of AZ HBPA, addressed the Commission.

Valorie Lund, Owner/Trainer and Member of AZ HBPA, addressed the Commission.

Commissioner McClintock moved to approve the Arizona American Italian Club as an Arizona Downs OTB. Vice Chair Lawless second. Motion carried. (Ayes: Coolidge, Goreé, Lawless, McClintock.)

4. Proposed Rule Change of A.A.C. R19-2-419(K)

Chair Goreé advised each party would have 10 minutes to address the Commission on its brief and five minutes for any rebuttals. Dave Auther filed a motion, and the Commission granted, an Order re: Motion to Associate Counsel Pro Hac Vice for Douglas L. McSwain to appear before the Commission on behalf of Arizona Downs in this matter.

Gerald Alston, Esq., TP Racing, LLLP, addressed the Commission.

Douglas McSwain, Esq., Arizona Downs, addressed the Commission.

Mike Napier, Esq., AZ HBPA, addressed the Commission.

Bob Hutton, AZ HBPA, addressed the Commission.

Kevin Eikleberry, Owner/Trainer, addressed the Commission.

Gerald Alston, Esq., provided his rebuttal to the Commission.

Douglas McSwain, Esq., presented his rebuttal to the Commission.

Mike Napier, Esq., provided his rebuttal to the Commission.

Vice Chair Lawless asked if Scott Daruty from Monarch was in attendance and, if he was, to please address the Commission.

Scott Daruty, President of Monarch Content Managing, LLC, addressed the Commission advising he was present as an observer and had no formal remarks prepared for this meeting. He answered questions from the Commission regarding Monarch's position and simulcasting signals to two OTB networks.

Commissioner Coolidge moved, that in the interest of resolving the issue as quickly as possible, the Commission table this vote until next month hoping all parties come to an amicable resolution before the horsemen resolve their issue. He implored Turf Paradise to continue to come to the table in good faith to resolve the issues to help Arizona racing move forward. Urged partners like Monarch and other to resolve issues with other organizations present at the meeting and he hoped Monarch would take a minute to talk to the Arizona Downs and Rillito participants to see if we could move forward as quickly as possible. If the issue isn't resolved by the next meeting, the Commission will be watching the proceedings happening up until then, and the Commission will make sure that it votes next month, one way or another, on passing a proposed rule and/or reaching out to the Governor's office for support to pass such a rule. Chair Goreé second and put everyone on notice that he expects everyone at the March 15th meeting to be working in good faith to get this resolved, otherwise, there will be a rule coming. Motion carried. (Ayes: Coolidge, Goreé, Lawless, McClintock.)

Chair Goreé asked to take a five-minute recess.

Meeting Recessed at 11:17 AM
Meeting Reconvened at 11:34 AM

Dave Auther, Arizona Downs, addressed the Commission and volunteered to prepare and send a letter to the Governor that indicates what the Commission is considering with respect to the rule so that that can get taken care of simultaneously while the matter in a holding pattern. He can present it to the Commission for review and approval and the Commission will submit it to the Governor.

Chair Goreé stated his preference is to direct the Division to work with the Attorney General's office and, possibly, get a brief on this issue.

Aiden Fleming, Gaming Legislative Liaison, addressed the Commission, advising the letter asking for an exception to the moratorium on rule making should come from the Agency and he will prepare one and get it to the Commission.

Assistant Attorney General Reh advised she could get an answer quickly on whether or not the Attorney General's office will be able to prepare a brief on the matter for the Commission.

Chair Goreé asked that there be a couple of spokespersons for this item since a dozen people signed up to speak. It was agreed that two people would speak.

Bob Hutton, AZ HBPA, addressed the Commission.
Kevin Eikleberry, Owner/Trainer, addressed the Commission.

Vice Chair Lawless requested that the Commission Secretary attempt to schedule a special meeting in the next two-weeks to discuss the matter and for the Attorney General to draft a brief for the Commission on the issue.

Stacy Campo, Owner/Trainer, addressed the Commission.

At 11:45 AM the Commission discussed Item C.1.

D. Information Reports

1. Safety Report(s) (Greg Stiles) – **Greg Stiles addressed the Commission.**
2. Budget Report (Director Casillas) – **Director Casillas had Aiden Fleming address the Commission on the budget.**
3. Legislative Update (Aiden Fleming) – **Aiden Fleming addressed the Commission and provided an update on HB2576 and SB1144. Chair Goreé asked Mr. Fleming to provide an update on HB2731. It has not moved out of committee as the Chair said parties needed to work out some of the issues. It could come back as a striker, if necessary. It covered Rillito race days, the "Dome" and eliminated the Racing Commission. Moved back to Item C.4.**
4. Permittee Reports – **Not to exceed 3 minutes**
 - a. American Greyhound Racing – **No report.**
 - b. Arizona Downs – **Ann McGovern, General Manager Arizona Downs, addressed the Commission.**
 - c. County Fairs – **No report.**
 - d. Rillito Park – **Zach Taylor, Acting Assistant General Manager, addressed the Commission.**
 - e. Tucson Greyhound Park – **No Report.**
 - f. Turf Paradise – **Vincent Francia, General Manager Turf Paradise, addressed the Commission. Jerry Simms, Owner Turf Paradise, addressed the Commission.**
5. Optional Industry Stakeholder Association Updates (limited to officers or officially designated spokesperson) – **Not to exceed 3 minutes**
 - a. Arizona Counties Racing Association – **No report.**
 - b. Arizona Greyhound Association – **No report.**
 - c. Arizona Quarter Horse Racing Association – **Loretta Brashear, Executive Director, addressed the Commission.**
 - d. Arizona Thoroughbred Breeders Association – **Scott Rawlins, Board Member, addressed the Commission.**
 - e. Horsemen's Benevolent & Protective Association – **Kevin Eikleberry addressed the Commission.**
 - f. Jockey's Guild – **No report.**

E. Commission Reports

1. Summary of Current Events Affecting the Arizona Racing Commission. A.R.S. § 38-431.02(K) – Only Commission Members or the Director may report. No discussion or action may be taken on matters reported unless properly noticed for legal action or discussion

**Chair Goreé directed Staff to write a letter to Rep. Cook in support of HB2576.
Chair Goreé directed Staff to write a letter to Rep. Farnsworth in support of SB1144.**

2. Identification of Matters to be placed on future agendas

**TP Racing, L.L.P. Consideration of Final Three-Year Commercial Permit Renewal (FY 2019, 2020 & 2021)
Proposed Rule Change of A.A.C. R19-2-419(K)**

F. Call to the Public

Those members of the public wishing to address the Commission must sign the signup sheet and be recognized by the Chair. Time permitting each presentation will be given approximately two minutes. Action taken as a result of public comment will be limited to directing staff to study the matter or re-schedule the matter for further consideration at a later date.

G. Announcements

The next regular Arizona Racing Commission meeting tentatively is scheduled for **10:00 AM on Thursday, April 11, 2019**, at 1110 West Washington St., Building Conference Room 250, 2nd Floor, Phoenix, Arizona, and is subject to change based on a quorum. For current information about the Arizona Racing Commission meeting schedule, please visit the Arizona Department of Gaming-Racing Division website (<https://racing.az.gov/racing-commission/commission-calendar-schedule>) or call Cassie Goodwin at 602-771-4263.

H. Adjournment

Vice Chair Lawless moved to adjourn the meeting. Chair Goreé second. Motion Carried. (Ayes: Coolidge, Goreé Lawless, McClintock.) Meeting adjourned at 12:13 PM.